Approved For Release 2006/02/07 : CIA-RDP91-00901R000600400013-7

STAT

4

RADIO TV REPORTS, INC.

4701 WILLARD AVENUE, CHEVY CHASE, MARYLAND 20815 (301) 656-4068

FOR PUBLIC AFFAIRS STAFF

PROGRAM Face the Nation STATION WUSA-TV
CBS Network

DATE November 10, 1986 12:00 Midnight EST Washington, D.C.

SUBJECT Negotiations with Iran for Release of Hostages

STAT

LESLEY STAHL: The White House is still refusing to comment as evidence accumulates that President Reagan approved a secret plan 18 months ago that led to a swap of military equipment for American hostages.

PRESIDENT RONALD REAGAN: There's no way that we can answer questions having anything to do with this without endangering the people we're trying to rescue.

STAHL: Shortly after the release last week of hostage David Jacobsen, it was reported that the U.S. has been sending military spare parts to Iran as part of a secret deal to gain the freedom of American hostages in Lebanon. The operation appears to conflict with stated U.S. policy.

PRESIDENT REAGAN: America will never make concessions to terrorists. To do so would only invite more terrorism.

STAHL: According to U.S. sources, the operation has resulted in the release of hostages Benjamin Weir, Lawrence Jenco, and David Jacobsen.

DAVID JACOBSEN: My joy is somewhat diminished by the fact that other captives are still being held in Lebanon.

STAHL: First official confirmation of the deal came from Iran. Speaker of the Parlieman Rafsanjani revealed that former National Security Adviser Robert McFarlane flew to Teheran in September bearing a Bible signed by President Reagan, a cake in the shape of a key, and military equipment. McFarlane says somne of the report is fanciful, but no denial.

Approved For Release 2006/02/07 : CIA-RDP91-00901R000600400013-7

Material supplied by Radio TV Reports, Inc. may be used for file and reference purposes only. It may not be reproduced, sold or publicly demonstrated or exhibited.

Approved For Release 2006/02/07 : CIA-RDP91-00901R000600400013-7

ROBERT MCFARLANE: I won't have any comment on these stories.

STAHL: By week's end, there was a chorus of congressional criticism.

SENATOR ROBERT DOLE: But I think the longer-term result would be to endanger more American lives and generate more hostages.

SENATOR ROBERT BYRD: We may be setting up a perpetual motion situation here in which arms are traded for hostages, and more hostages are taken.

STAT

STAHL: Was the secret White House operation a good idea or a mistake? We'll ask Senators Patrick Leahy of Vermont and Orrin Hatch of Utah, both members of the Intelligence Committee. And we'll hear from two former Carter Administration officials who in 1980 worked on winning the release of the American hostages from Iran: Warren Christopher and Robert Hunter.

Trading weapons for hostages, an issue facing the nation.

* * *

STAHL: Joining us from Boston, Senator Patrick Leahy, Democrat of Vermont; and here in Washington, Senator Orrin Hatch, Republican of Utah. Both are members of the Senate Intelligence Committee.

Let's go to Boston first and Senator Leahy.

I'd like to ask you your reaction to these revelations that perhaps the United States was involved, in some way, setting up a swap of spare parts and other military equipment for American hostages. And also tell us, as a member of the Intelligence Committee, exactly what you knew about this operation.

SENATOR PATRICK LEAHY: Well, I've been watching it with a great deal of amazement because, to begin with, I knew nothing about it. To my knowledge, neither the House nor Senate Intelligence Committee was briefed on any aspect of this. If that's the case and the stories are true, then it would appear that the White House is trying to do a back-door way to get away from any congressional oversight, probably claiming so there won't be leaks, although this is something that they have leaked in bundles. And I've watched it with amazement because I agree with both Senator Dole and Senator Byrd that if this is going to be U.S. policy, if we're going to give arms for hostages, it's not going to take terrorist groups, like Iran, very long to

Approved For Release 2006/02/07 : CIA-RDP91-00901R000600400013-7

Approved For Release 2006/02/07 : CIA-RDP91-00901R000600400013-7

realize that the easiest way to get more U.S. arms is to seize more Americans.

We all want our Americans back. But I don't see setting up a procedure that is simply going to endanger more Americans in the future.

STAHL: Well, let me ask Senator Hatch whether he knows any of the facts, if you can confirm these stories that the Administration, at least on the record, has not yet confirmed, and what your reaction is.

SENATOR ORRIN HATCH: Well, I know some of the facts. But let me just say this: If the sole purpose of exchanging parts is to get hostages, is to deal with terrorists, then that's not a very good purpose. I suspect, and I think anybody here who really looks at this seriously, realizes that there's a much wider goal. Much like the Economist magazine this week on its November 8th edition said, that if only dealing with hostages is all there's involved here, that's bad. But if there's a wider goal -- and the wider goal here is to try and bring about a more moderate group of leadership in Iran. And I might add that we've made some strides in that regard. The Carter Administration tried the same thing.

This has been an Israeli approach since 1970. The Israelis have admitted in public newspapers that they literally, in their national security interest, have wanted to transfer arms and equipment, and even supplies and even parts, to Iran. And it's in their best interest to do so. In fact, back in 1980 Prime Minister Begin called Carter and indicated that he wanted to do this. And there are some very interesting facts pertaining to that particular...

SENATOR LEAHY: You know, but I -- I think that you're going to find the Administration, now that they've had everybody look at this plan saying how crazy it appears, probably coming out with that theory that we really wanted to help Iran, help moderates in Iran. But what does that say? Do we then help overthrow Iraq so that we have our moderate Arab friends now feel threatened by Iran [sic]? No, I think not.

I think what you have is a situation in the White House where, with people like Colonel North and others, they've gotten pretty excited about running their own CIA, State Department, Defense Department out of the White House without anybody looking over their shoulder. What happens in that, if you want to shortchange and kind of oversight, that's when you have the mining of the harbors in Nicaragua, the assassination manual, the Hasenfus situation. And now, while we're telling our allies not to sell arms to terrorist nations, we apparently are sending them on to Iran. It makes no sense.

Approved For Release 2006/02/07 : CIA-RDP91-00901R000600400013-7

Approved For Release 2006/02/07 : CIA-RDP91-00901R000600400013-7

STAHL: Answer those questions.

SENATOR HATCH: I think it's a little hypocritical for the Carter Administration officials, Jimmy Carter himself, David Aarons, Stansfield Turner, Muskie, and others, all of whom I know and like, I think it's a little hypocritical for them to be condemining this Administration when, really, on October 11th -- now, this is something that was kept from the people -- October 11th, 1980 there was a message sent to Germany, to Bonn, to none other than Warren Christopher indicating that Carter had approved a $150 million spare parts and aircraft transfer.

STAT

STAHL: In exchange for those hostages?

SENATOR HATCH: In exchange for -- they were trying to get hostages at that time.

But, literally, there's a lot more involved here than just the hostates. There literally are tremendous factions, between Montazeri, Rafsanjani, and others who are likely to become potential successors to Khomeini. And this Administration is doing everything it can for hostages, but also to try and, it seems to me, bring about a moderate takeover in Iran.

STAHL: If this was such a wonderful idea, why was Shultz opposed to it? Why was Weinberger opposed to it? And why was it carried out so secretly from within, as Senator Leahy says, this kind of unilateral operation within the White House?

SENATOR HATCH: Well, was in the National Security Council. And frankly, that's not new either. I remember -- you could look at David Aarons and some of the trips that he made. Take Somalia and Ethiopia.

STAHL: Answer about Shultz? Answer about Shultz.

SENATOR HATCH: He did that as a member of the National Security Council.

You don't hear Mr. Brzezinski making any comments right now.

STAHL: Well, what about Shultz?

SENATOR HATCH: And one reason you don't is because he knew...

STAHL: You're not answering my question, Senator. Why, if this was such a great idea, did you have two Cabinet Secretaries opposing it?

SENATOR HATCH: Well, I can't speak for Shultz, but I

Approved For Release 2006/02/07 : CIA-RDP91-00901R000600400013-7

Approved For Release 2006/02/07 : CIA-RDP91-00901R000600400013-7

happen to believe that both Shultz and Weinberger have both known about this project. I don't think there's any question about that.

I might also add, go back to the Carter Administration. One of the best books written...

[Confusion of voices]

SENATOR HATCH: This whole thing began back in 1980.

STAHL: Let's stay in the present.

SENATOR HATCH: So they're criticizing Reagan for something they themselves did, initiated, approved.

STAHL: Well, let's stay with this story.

Senator Leahy.

SENATOR LEAHY: Could we say this? You know, after six years of the Reagan Administration, at some point they might want to take credit for their own actions or responsibility for their own actions, not for the Carter or the Ford or the Nixon Administration.

STAHL: Let me -- can I ask you both...

SENATOR LEAHY: The fact is, if this is such a great idea, what we are doing is selling -- or giving arms to Iran after having told our allies not to do that. We apparently are exchanging arms with terrorists for the exchange of Americans, setting up a precedent where it would appear that you could get more arms if you just seized more Americans, and doing it in a way carefully conducted so there can be no dissenting voice from within Congress, no oversight. That's a sheer plan for disaster.

STAHL: Doesn't it bother you, Senator, that...

SENATOR HATCH: It doesn't bother me, because I think we ought to pay a little bit of attention, media and politicians alike, to what Mr. Jacobsen said: Back off. You're dealing with 20 remaining hostages over there in Iran. And frankly, there's a lot more involved. And I don't want to see those people killed. I don't want to see them roughed up or brutalized, like Jacobsen and others have been. And I think sometimes we don't handle these things very well.

But there's a lot more involved. That's the point.

STAHL: Well, tell us about it.

Approved For Release 2006/02/07 : CIA-RDP91-00901R000600400013-7

Approved For Release 2006/02/07 : CIA-RDP91-00901R000600400013-7

SENATOR HATCH: Our Israeli friends are involved. It's all over the media that they have been doing this.

There's no question Carter's Administration was involved. There was a $150 million arms transfer approved. The only reason it didn't go through was because Rafsanjani rejected it and said he'd rather give the money back. They'd already paid for these arms, and he said he'd rather give the money back than have arms from this evil empire of the United States.

Now, if we can, in the overall interests of the Middle East -- Iran being a very, very important place -- if we can, through a negotiation, reach wider goals, but at the same time release these hostages, my gosh, I can't imagine why anybody would not want to.

And anybody who thinks that this Administration would deal solely to release the hostage in this area, I think is wrong. And I think the Carter Administration knows that. So does Stansfield Turner. So does Jimmy Carter. So does Ed Muskie.

STAHL: Senator, an Arab diplomat told me this week that what the United States has done now is put a price on eachn hostage's head.

SENATOR HATCH: I don't think that's so.

STAHL: And that we've paid ransom to the tune of 15-16 million dollars apiece.

SENATOR HATCH: Okay. That's a glib, cliched...

STAHL: Can you answer that?

SENATOR HATCH: That's a glib, cliched comment. I don't think that's so. I'm telling you that until this falls all the way through and we get the hostages out, I don't think anybody's going to fully know how much the efforts have been made to try and bring about a more moderate government over there, to try and bring about stabilization in the Middle East, and to try to help the Israelis, our friends.

SENATOR LEAHY: But nobody disagrees that we should take every effort possible to get American hostages back. Nobody disagrees that we should encourage moderate elements in Iran. What bothers a lot of us is that here the Administration tries to go around Congress so, as they say, there'll be no leaks, and then they themselves leak reams of material about this, changing the reason for doing it almost day by day, as it becomes more and more embarrassing what they're doing.

Approved For Release 2006/02/07 : CIA-RDP91-00901R000600400013-7

Approved For Release 2006/02/07 : CIA-RDP91-00901R000600400013-7

But what concerns me is not just in this one instance, but we started out with the mining in Nicaragua doing it the same way. We started out with the assassination manual in Central America. We now have the Hasenfus thing, the Libyan disinformation.

You know, at some point the Administration's going to have to understand that some of the oversight processes are set up just so the United States won't make mistakes.

STAHL: Senator Leahy, though, do you -- I want to ask you specifically about this situation, the idea that we would send spare parts to Iran and the hostages would come out. Just that narrow thing, not the oversight. Does that bother you? Or do you think that it's worth it to get our men released? Is this a worthwhile thing to do?

SENATOR LEAHY: I am very, very concerned that if we put the price of American hostages being an exchange of American arms, that we just guaranty them more Americans are going to be seized as hostages.

SENATOR HATCH: Okay. Anybody who believes that, I've got a bridge in Brooklyn to sell to you.

The fact of the matter is, the Israelis have been doing this. They are doing it in their national security interest. This approach even was approved by the October 11th top secret message that Carter had sent to Bonn, Germany. And frankly, it's hypocritical for them to stand by and act like the Reagan Administration is only trying to bring hostages out. If that's a secondary benefit from what they're doing, that's good. But the fact of the matter is, is that Iran is a crucial, pivotal area. It's in great danger. And frankly, they have been doing everything they can to try and stabilize that area.

And by the way, the United States hasn't transferred this equipment. Israel, Israeli people have transferred this equipment, as far as I know.

STAHL: Senator Leahy, very quickly. We're running out of time.

SENATOR LEAHY: Well, do we improve the situation in the Middle East if we make it possible for Iran to crush Iraq and then threaten moderate Arab nations?

SENATOR HATCH: Well, now, both countries, both countries are interested in a moderate negotiated settlement. And we are not going to -- we don't want to have Iran crush Iraq. And this equipment is not going to enable them to do so. But if it

Approved For Release 2006/02/07 : CIA-RDP91-00901R000600400013-7

Approved For Release 2006/02/07 : CIA-RDP91-00901R000600400013-7

does get out those 20 hostages, if it does stabilize the Middle East, if it does bring a more moderate faction in Iran, if it does help us in that area, and if it does support and help Israel, my gosh, I don't see why any Democrat or any Republican is going to find fault with it, under the circumstances.

STAHL: Last word.

SENATOR LEAHY: If this operation could -- if you could sell me on the idea this operation could do it, then you can sell me that bridge in Brooklyn.

STAHL: Okay. Thank you, both, very, very, very much.

* * *

STAHL: With us now from Los Angeles, Warren Christopher, President Carter's chief negotiator during the Iranian hostage crisis; and here in Washington, Robert Hunter, also a former Carter Administration official, now with the Center for Strategic and international studies.

In Los Angeles, Warren Christopher, you negotiated the Iranian hostage release back in 1980. What do you think about what the Reagan Administration is doing right now? Is this the right path to take or not, in your opinion?

WARREN CHRISTOPHER: Well, Lesley, of course I am very sympathetic with the President in this situation. Believe me I am. And I'm pleased that the three hostages have come home. But on the whole, I think it's very bad policy, and I wouldn't have recommended it. And I think the President has been ill-served by his advisers in this situation.

Our policy has suddenly become incoherent. We are opposed to terrorism, and yet we're sending arms to the Iranians. We're also, I think, taking sides in a war where we ought to be neutral. And I think we're probably taking the wrong side. Either we're continuing the war or, if we enable Iran to win, we'll terrorize our friends in the Middle East.

So, I think we've developed a policy that's become utterly incoherent with this step.

STAHL: Let me ask Robert Hunter, who used to work on the NSC staff, what you think of the policy and what you think of the idea of taking it out of the State Department, away from the CIA, and having it kind of a secret operation run out of the White House?

ROBERT HUNTER: Lesley, I think we have sort of two issues and two ideas here. In the first place, the American

Approved For Release 2006/02/07 : CIA-RDP91-00901R000600400013-7

Approved For Release 2006/02/07 : CIA-RDP91-00901R000600400013-7

people want the hostages to come home. The government wants to do that. It also wants to pretend that it's not dealing with terrorists. It can't have it both ways, and so we have a lot of confusion this week.

Secondly, in my judgment, I think it is important for us to reach out to Iran. In the future, after the death of the Ayatollah, it's going to be very important to try to keep that country whole, independent, and out of the hands of the Russians.

So, I think we're doing the right thing, but for the wrong reasons. And it's gotten all confused.

STAHL: Well, it seems to me that the Administration is trying to say we have to open the door to Iran. And very few people disagree with that. But what about the idea of the trading of hostages for military equipment? Senator Hatch is right. The Israelis are very much a part of this. They have been saying the same thing we have, "You can't deal with terrorists," and yet they apparently promoted this idea.

Is there something in here that we're missing that perhaps justifies it, Warren Christopher?

CHRISTOPHER: Well, of course, there is the natural inclination to try to get the hostages out, and probably this began with an effort to warm up relations with Iran. But that's very treacherous territory. The Iranians are very tough, resourceful negotiators. You have to deal with them very carefully.

One of the objections I have here is that evidently we've given a concession and have not gotten all of our hostages out. In the Iranian situation, we spent a great deal of time during the last two months to insure that we got all 52 of our hostages back before the money that had been frozen in the United States was returned to the Iranians. There's been no similar procedure here, and I think that's unwise.

STAHL: Did you offer spare parts to the Iranians, as Senator Hatch said you did?

CHRISTOPHER: Let me explain that situation quite calmly, and I think completely. I met with an Iranian representative in Germany in September of 1980. The question of arms came up. I dicouraged it, and that question never came back on the table. As you probably know, ten days after I met, the Iran-Iraq war broke out, and negotiations were not resumed until after the election in November.

So, the facts are that no arms were given. The question

Approved For Release 2006/02/07 : CIA-RDP91-00901R000600400013-7

Approved For Release 2006/02/07 : CIA-RDP91-00901R000600400013-7

came up in my September meetings in Germany with an Iranian. I discouraged it. And the question never came back on the table.

What was discussed on a contingency basis within our government is quite a different thing. But the facts are, no arms were given; and the time the question came up, I discouraged it.

STAHL: Let me ask Robert Hunter about giving Iran spare parts.

Is that something we should do, even if there aren't hostages involved right now, given the Iraq war? Is this the way to open the door for friendlier relations with them, in your view?

HUNTER: Well, my judgment is that we have been tilting towards Iraq, actually. We haven't been strictly neutral. And we talk quite a bit about the so-called vaunted Iranian offensive we've been waiting for for two years. I think if you'd take a careful look at Iraq, with its tremendous amount of modern armaments, the aid it gets from other Arab states; Iran, which is suffering because of the fall in the oil price, a lot of old weapons, using human-wave tactics as a substitute; I think the idea that Iraq is about to collapse and Iran prevail is most exaggerated. And we need to be thinking about the future in that area.

STAHL: So you think it's right to supply them with these spare parts.

HUNTER: I think it was wrong to try to create an embargo with other countries -- Israel, South Korea -- as we did in the past. After all, Iraq has a free flow of arms from the rest of the world.

STAHL: So you say you don't agree on the hostage thing, but you basically agree with the policy?

HUNTER: I think it's probably been mismanaged from beginning to end. We now are in a situation in which the Iranians who have come forward are likely to have been discredited. But the idea of the United States having imposed this embargo, I think, was wrong. And quite frankly, the supply of arms we're going through now is not going to tilt the balance in this war.

STAHL: Warren Christopher, three hostages have been kidnapped since we started these negotiations with Iran. Your experience with the Iranians, is this what you would expect, is this what the Administration should have expected: that as they release some, others will be taken?

Approved For Release 2006/02/07 : CIA-RDP91-00901R000600400013-7

Approved For Release 2006/02/07 : CIA-RDP91-00901R000600400013-7

CHRISTOPHER: Lesley, in this situation with the Iranians, I think you have to be extremely careful. They're so tough and so resourceful. Sometimes we tend to underestimate other countries which operate in a different language and perhaps wear strange clothing, but they're very formidable adversaries. And I would not have considered a situation in which we gave them back their frozen funds without getting all of our hostages out. And I think that's what you have to have in mind in this situation here. We set up a very complicated escrow arrangement in which their funds were held until the hostages were out of Iranian airspace.

So, I can't say that I would have expected them to take more, but that's a danger you have to have in mind. And you have to remember, dealing with the Iranians, without being unfair to them, that they've lived in this world for a long time longer than we have, they've gotten along by their wits, and you have to be very, very careful with them.

STAHL: Robert Hunter, on the Middle East as a whole, why don't we want Iraq to win this war? If Iran wins, then you have the spread of that fundamentalist, radical religion all through the area. Our closest allies in the Arab World, Saudi Arabia and Kuwait, might be overrun by that. Why wouldn't we want Iraq to just win?

HUNTER: Frankly, we don't want either side to win. If either side wins, we lose.

You just described one scenario very well. The other one, however, particularly after the death of the Ayatollah, or if Iraq were to prevail, if you have a disintegrating Iran, which is highly likely, if you have turmoil, if you have a competition for power, a civil war, then it is very likely -- and we've seen it in the past -- that the Soviet Union will try to exploit it. The Soviets occupied a chunk of Iran at the end of the last war. They're very close; we're a long way away. And strategically, the future of that area is very important for us to have an Iran out of Soviet control.

STAHL: Can you -- yes, go ahead.

CHRISTOPHER: Lesley, I don't think we ought to be arming either side. Our role in the situation is one of neutrality. I don't think we can be evenhanded enough to say we'll give certain arms here and certain arms there.

Also, it really destroys the credibility of our policy around the world if we try to say to the rest of the world, "Don't send arms to Libya. Don't send arms to Iran," and turn out having a secret conduit, through Israel, for arms for 12 or

Approved For Release 2006/02/07 : CIA-RDP91-00901R000600400013-7

Approved For Release 2006/02/07 : CIA-RDP91-00901R000600400013-7

18 months. I don't know how we can be believed around the world.

So, I think a series of events have begun to undermine our credibility. It goes piece-by-piece, but then it can go in a great gush.

STAHL: Well, on that note, Warren Christopher in Los Angeles, I thank you for being our guest.

Robert Hunter, here.

Approved For Release 2006/02/07 : CIA-RDP91-00901R000600400013-7